

Commissioners Meeting Budget Session

June 16, 2008

The Randolph County Board of Commissioners met at 2:00 p.m. for a special budget session in the Commissioners Meeting Room, County Office Building, 725 McDowell Road, Asheboro, NC. Commissioners Holmes, Frye, Kemp, Haywood and Lanier were present.

Randolph County Schools

Donald Andrews, Randolph County Schools Superintendent, discussed the Randolph County Schools budget request. He said that their FY 08-09 Current Expense request is for \$17,951,700, which is a 12.86% increase over the current year's funding. The costs associated with continuation account for about 3.9% of that increase. The continuation costs relate primarily to projected salary increases, fringe benefit increases and rising costs associated with items such as insurance and utilities. Expansion items, in order of priority, include the following:

- Funding for positions
 - Grant Writer/Data Analyst (\$60,000)
 - BEP Positions (2) (\$90,000)
- Providence Grove High School
 - Positions that will ensure the proper personnel to meet the needs of an additional high school from two existing high schools (\$345,000)
 - Increase funding for utilities and supplies due to the new high school (\$300,000)
- Technology (Wide Area Network) to supplement State funding and e-rate funds in order to pay the \$600,000 annual expense for school internet connections. (\$100,000)
- Teacher supplements-to cover the cost increase of supplement increase of 1% from the 07-08 budget where it was agreed upon that the 07-08 supplements would come from Randolph County Schools' fund balance with the County Commissioners absorbing the increase beginning with the 08-09 budget (\$500,000)

Mr. Andrews said that their Capital Outlay request is for \$3,230,531, an increase of 38.62%. With 30 schools, 19,044 students and 3,076 full- and part-time employees, funding increases in recent years for Capital Outlay has not kept up with the operational costs of maintaining quality facilities. He said that the County Schools received a \$17,331 increase for the 07-08 school year and, while the lack of substantial increases can be attributed to the building projects of two new high schools, the continued upkeep of all schools continues to be challenging. While much of the Capital Outlay request is for day-to-day and year-to-year upkeep of facilities and grounds, major continuation items include athletic facility bleacher upgrades (safety and codes), parking lot replacement/repair and general upkeep, building improvements and repairs. Mr. Andrews mentioned that they have 101 modular units in place, with an additional need of four for growth system-wide and the relocation of seven at a cost of \$100,000. Also, due to the age and student traffic at their four existing high schools, they are also requesting \$800,000 for capital improvements that will ensure safety and classroom upgrades that will enhance the learning environment.

Mr. Andrews stated that the Archdale/Trinity Tax Council is requesting that the tax rate increase from \$.085 to \$.09 per \$100 valuation. The increase is needed primarily to buy a handicap bus instead of continuing to rent one.

Asheboro City Schools

Dr. Diane Frost, Superintendent, spoke about two main points: technology and capital outlay. She shared success stories and thanked the Commissioners for funding for the following: Guy B. Teachey Elementary School addition, which helped alleviate overcrowding at two city elementary schools and helped to equalize enrollment at all five elementary schools; and the opening of the Asheboro High School (AHS) Zoo School, which is providing a group of students with a smaller learning environment. A third success story she shared was the award of a \$1.2 million Impact Grant which will allow the school system to equip 75 more classrooms at North and South Asheboro middle schools and AHS, with 21st century technology for the upcoming school year. They also equipped 60 additional classrooms this fiscal year with the new technology and want to equip the remaining 190 within the next two years. She said the grant will require the hiring of technology teachers for both middle schools and AHS to serve as resource personnel; an additional technology teacher is sought at the elementary level so all five schools have one.

Dr. Frost said that the budget also reflects increased salaries, and rising energy and utility costs. The expansion budget of \$338,000 follows, in order of priority:

- Technology Teachers (\$240,000)
- Maintain or improve class size (\$63,000)
- NC Wise data manager salary schedule upgrade (\$25,000)
- Communities in Schools (\$10,000)

Capital outlay funding requests include money for band instruments to help replace an aging inventory of items for the band, which has tripled in size over the past 10 years; resurfacing of the SAMS track, and money for restrooms at the NAMS athletic complex and Pugh Field. Dr. Frost said no increase in the city schools supplemental tax of 13.85 cents per \$100 property valuation is sought.

Randolph Community College

RCC President Dr. Bob Shackleford presented the community college budget request and stated that RCC believes it can operate for the upcoming school year with the funding amount of \$3,133,000, which is the amount included in the Manager's proposed budget, noting that the college has cut phone costs and equipment repairs in a savings of \$33,500. He also reported that the college had hired two safety officers.

Dr. Shackleford also thanked the commissioners for funding the purchase of the Klausner property adjacent to the Asheboro campus. He presented the Commissioners with an overview of how the property can be used to house some of the RCC programs, freeing up space in other buildings so the Randolph Early College High School can eventually use the entire vocational/technical building. The estimated cost for renovations and site improvements is \$6.4 million, compared to almost \$9.4 million for a new classroom building on existing campus land.

Sandhills Center

Michael Watson, Executive Director, Sandhills Center, thanked the Commissioners for their support and for the guidance that Sandhills Board members Frye and Holmes provide. He said that their budget request was the same as last year: \$1,001,565. He answered questions from the Board.

Communities In Schools (CIS)

Sandi Norman, Executive Director, and Keith Lambeth, CIS Board of Directors member, spoke about the successes of CIS, saying that services had been provided to more than 6,000 students during the 2007-08 school year. While they have expanded to all the county schools, they want to partner with the Asheboro City Schools as soon as staffing and funding can be obtained. They would also like to hire an Archdale-Trinity Area Coordinator, a Fast Forward Coordinator (paid for by a grant from Drop Out Prevention Funding for 1 year to oversee the program at three middle schools in conjunction with Randolph County Schools) and initiate an after school music program at Gray's Chapel School. Mr. Lambeth said that the current staff is already working 50-60 hours per week and some additional funding would help take some of the pressure off current staff. They urged the Board to approve their requested \$90,000, rather than only the \$75,000 that is in the proposed budget.

Randolph Arts Guild

Phil Shore, Director, Randolph Arts Guild, thanked the Board for its support through the years and urged the Board to continue funding the Arts Guild at at least \$15,000, although he requested \$20,000.

Recess

At 4:18 p.m., the Board took a short recess.

Addition to Agenda and Closed Session—Personnel (N.C.G.S. 143.318.11(a)(6))

Chairman Holmes announced that a Closed Session would be added to the agenda for personnel reasons.

At 4:35 p.m., on motion of Frye, seconded by Kemp, the Board voted unanimously to go into closed session to consider the qualifications, competence, performance, condition of appointment of a public officer or employee or prospective public officer or employee, pursuant to NCGS 143-318.11(a)(6).

Regular Session Resumed

At 4:57 p.m., the Board returned to regular session.

Recess

At 4:57 p.m., the Board recessed until the 7:00 public hearing.

Budget Public Hearing

Chairman Holmes announced that the public hearing on the budget would be held and then fire departments that were requesting a tax increase would be allowed to make presentations to

the Board. Following those presentations, the floor would be opened again to hear comments from the public on the fire tax requests.

At 7:00 p.m., Chairman Holmes opened the duly advertised public hearing on the proposed FY 08-09 budget.

Faye Cox, 1211 Grantville Lane, Asheboro, said that she appreciates the Commissioners although she doesn't always agree with them. She quoted some information in the Proposed Budget Message about job losses and high unemployment rate, and added that Randolph County citizens are working new jobs for less pay than they made before they lost their manufacturing jobs. She suggested ways to cut the County budget: 1) deputies should not be allowed to take their patrol cars home with them; 2) fire departments should not be allowed to participate in parades in order to save on fuel costs; 3) no salary increases for County employees; and 4) cut some County positions. She said that she was not sympathetic to the County's decision to increase County employees' insurance deductible (as a cost-saving measure) to \$1,000 because she knows some citizens whose deductibles are \$2,500. Ms. Cox also mentioned that she is against a county water system because the need does not justify the expense. She said that although the schools are overcrowded, using her grandchildren's elementary school as an example, she did not vote for the two new high schools because she said we can't afford to build new schools. She suggested that the Commissioners impose an impact fee for new development. Ms. Cox stressed that Randolph County citizens cannot afford another property tax increase, especially the elderly. She said that there must be some items in the proposed budget that can be cut rather than imposing another tax increase on citizens.

Hearing no further comments on the proposed budget, Chairman Holmes closed the public hearing.

Commissioner Frye thanked Ms. Cox for the respectful manner in which she raised her concerns about the proposed budget and made the following clarifications:

- The Commissioners cannot impose an impact fee on development unless the State gives the County permission to do so.
- In a measure to recoup some of the lost revenue from the State/County Medicaid swap, the State allowed the County to impose a quarter-cent sales tax, but only after a successful vote of the people; Randolph's May 2008 referendum was defeated by a 70-30 percent margin. Had it passed, it would have generated enough cash to prevent the need to raise property taxes by the proposed three cents.
- In exchange for the State taking over the Medicaid expense, the County will lose one-quarter percent of its sales tax rate next year and another one-quarter percent in 2009-10.
- In the Medicaid swap, the County also has to hold its municipalities harmless, which costs the County about \$600,000.
- Eighteen to twenty percent of the entire County budget is pass-thru money.
- To pay for every funding request the County received would have required an 11½-cent tax increase.

Fire Department Requests

Chairman Holmes announced that the Board would hear from the fire departments that were requesting tax increases in their districts.

Climax Fire Department

Gary McGee, 2038 Whitt Hunt Rd., Pleasant Garden, gave a PowerPoint presentation to justify Climax's request to increase its rate from 9.3 cents to 10 cents. He said that call volume has increased 190 percent over a 10-year period, with decreasing numbers of volunteers. Additional paid staff is needed. They also have the additional burden of protecting the new Providence Grove High School that will open in August. While Climax achieved an ISO rating of "6" in June 2000 (from a previous "9"), they hope to achieve a new rating of "5" soon. The savings from the reduction in homeowners' insurance would cover the cost of the increase in tax rate. He said the Climax Board of Directors unanimously approved the requested increase. The increase would help to cover the increase in fuel costs, staffing needs, replacement vehicles, and facility additions and improvements.

Farmer Fire Department

Fire Chief Tracy Boyles, 4104 Salem Church Rd., Denton, reminded the Board that Farmer requested that their rate be reduced from 7.5 cents last year to 7.0 cents. He asked the Board to increase the rate back to 7.5 cents in order to keep their books "out of the red," to be able to keep the one full-time and two part-time employees at the station and to cover increased fuel costs.

Franklinville Fire Department

Deputy Chief Michael Caviness, 1831 NC Hwy. 49 N., Ramseur, asked to increase their rate from 7.5 cents to 9.2 cents and distributed copies of a letter written by a citizen in support of the requested tax increase. He said that his department had lowered their DOI rating from a "9" to a "6," thereby providing an insurance premium cost savings to their citizens. They have also purchased a ladder truck, added some personnel and hope to add another DOI station. Training costs have increased as well as fuel costs. Calls have increased by 68% since 2002. Last year, they had to get a \$78,000 loan to replace a damaged floor in the station. They also had to replace 50 sections of hose at \$35,000.

Northeast Fire Department

J. R. Beard of Liberty asked for a 2.2 cent increase from 6.8 cents to 9.0 cents, adding that they had never asked for an increase before. He said salaries, debt, fuel costs, insurance and equipment costs have increased. They have implemented cost savings measures like cutting off trucks whenever possible and buying turnout gear off of eBay for half price. They purchased a 2001 engine to replace the engine in a 1973 truck. They expect a favorable DOI inspection soon to lower their rating, which is currently a "9." He said that the northeast part of the county has experienced a great deal of growth.

Seagrove Fire Department

No one spoke.

Staley Fire Department

Ronald Williams, 4142 NC Hwy 49N., Liberty, asked the Board to increase Staley's rate from 9.38 cents to 10 cents in order to pay for repairs to a leaky roof at their station and to cover

worker's comp insurance, which has doubled. Volunteer numbers have also decreased. His department also had to spend more money than expected to maintain the gravel roads to their water points.

Tabernacle Fire Department

Fire Chief Brent Powell, 31366 Hwy 64 W., Trinity, said that his department is requesting an increase from 8.7 cents to 10 cents. He said that a second full-time position is needed to man the substation built in 2006; without the additional funds, the substation will have to be closed. He added that last year they closed out their budget \$7,000 "in the red."

Public Hearing Reopened

Chairman Holmes reopened the public hearing to allow comments on fire department requests.

Jerry Grazier, Mayor of Franklinville, said that he was speaking on behalf of the Town of Franklinville. He said he was not against the Franklinville Fire Department, but told the Board that according to a pre-existing agreement, the Town of Franklinville has to match whatever rate the County pays and the Town simply cannot afford the additional \$5,220. He said the Town is waiting on the County's adoption of its budget before they adopt theirs, adding that Franklinville's residents are mainly elderly people on fixed incomes and can't afford an increase.

There being no further comments, Chairman Holmes closed the public hearing.

Adjournment

There being no further business, the meeting adjourned at 8:07 p.m.

J. Harold Holmes, Chairman

Darrell L. Frye

Phil Kemp

Stan Haywood

Arnold Lanier

Cheryl Ivey, Clerk to the Board